

**U.S. Department of Justice**

*United States Attorney  
Eastern District of Virginia*

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**FOR IMMEDIATE RELEASE  
ALEXANDRIA, VIRGINIA  
OCTOBER 24, 2002**

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**NEWS RELEASE**

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today that James R. Niblock, age 51, of Vienna, Virginia, was indicted today on 40 counts of wire fraud stemming from his scheme to embezzle approximately \$8,600,000 in real estate loan proceeds placed in an escrow account he controlled.

According to the indictment, Niblock operated several businesses that located investors to make loans secured by real estate mortgages, including a Reston branch office of Advantage Investors Mortgage. Niblock is also alleged to have owned and operated First National Title and Escrow in Reston, a business which Niblock used to close the real estate loans he had originated for borrowers throughout the United States.

The indictment alleged Niblock's scheme, which occurred between September 1999 and June 2002, as follows. After Niblock originated loans through the Reston branch office of Advantage Investors, he received funds from the lending institutions to close these loans. The lenders directed Niblock to disburse the loan proceeds for the benefit of the borrowers, usually by paying off prior loans from lenders who had taken a first mortgage in the borrowers' real estate. Instead of disbursing the loan proceeds as directed by the lenders, Niblock diverted approximately \$8,600,000 of the loan proceeds for his own purposes. Niblock, acting for First National Title and Escrow, prepared fraudulent settlement statements which falsely represented to the lenders and homeowners that the loan proceeds had been disbursed in accordance with the lenders' instructions.

Mr. McNulty said: "This case is significant because it focuses on the integrity of real estate transactions. It's our job to prosecute those who defraud the public in this way."

The investigation was conducted by special agents of the Federal Bureau of Investigation. The case is being prosecuted by Assistant United States Attorney Dana J. Boente.